




STATE OF WASHINGTON

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

P.O. Box 45050, Olympia, Washington 98504-5050

September 15, 2010

TO: ADSA Staff and Stakeholders

FROM: Kathy Leitch, Assistant Secretary 
Aging and Disability Services Administration

SUBJECT: **Initial Steps Toward a 2011-2013 Budget Proposal**

This memo is my continued commitment to keep people interested in ADSA programs informed about critical budget issues. Budget planning is difficult in a time when the six year outlook is exceedingly grim, and as we move toward the 2011-2013 biennium open communication will be more important than ever. Collectively, we will be challenged to continue support for seniors and people with disabilities and now look forward to working with those who have interest in people with behavioral health and recovery needs as well.

OFM Director, Marty Brown, communicated the Governor's priorities in his transmittal of the instructions for preparation of the 2011-2013 Budget. With that as a backdrop, there are several key phases in the budget process:

- The first step is the DSHS initial submittal of its estimate of what it will take to meet existing obligations through the next biennium and its suggestions for essential improvements. That information was transmitted on September 10 and is described in more detail below.
- The second step will be to respond to Governor Gregoire's Executive Order, issued on September 13, which asks for across-the-board reductions in the current fiscal year to bring expenditures into line with lower projected revenues. We expect to learn about our target reduction later this week, and as more details are known I will provide follow-up information.
- The third step, in December, is for the Governor to announce the budget she will propose to the legislature. That proposed budget will be based on the November revenue forecast, which is expected to reflect further declines in revenue that will undoubtedly require downward adjustments from the initial budget proposals.
- When the legislature convenes in January it may make current year budget adjustments and both the House and the Senate will offer 2011-2013 budget proposals before a final budget is voted on by the full Legislature and signed by the Governor.

ADSA's September 10 initial budget submittal included a request for carry-forward funding (the biennialized cost of items already recognized in appropriations by the Legislature); and for maintenance level funding to fund caseload growth, workload changes due to caseload, and other legally unavoidable costs. The difficult fiscal environment limits the ability to propose improvements, but several important ones are summarized below:

Developmental Disabilities

- To begin the first stages to “re-envision” the system of supports for people with developmental disabilities, new community investments will be targeted to children to help them live at home with or at least near their families and local schools. This investment is essential to respond to the significant and growing unmet need, broaden the reach of Residential Habilitation Center (RHC) staff expertise into the community, and prepare the state to have options for families in need of an alternative to placing children in Residential Habilitation Centers (RHCs). These investments include:
 - ⇒ Planned out-of-home respite in local communities
 - ⇒ New state-operated short-term crisis stabilization
 - ⇒ Long-term diversion to new small, community ICFs/MR for children
 - ⇒ Long-term options for discharge for children currently at RHCs
 - ⇒ Long-term diversion using intensive in-home intervention services provided to children in their own homes (additional space in the Children’s Intensive In-Home Behavior Support Waiver)
 - ⇒ Expansion of RHC licensed professional services to community clients
 - ⇒ Sharing of RHC medical expertise through mentoring/training options for interested community healthcare personnel
- Funding is requested at the policy level to provide critical community residential placements for 32 children and 180 adults as an alternative to placement at the state’s RHCs. These are the minimum placements needed for individuals exiting services in the Children’s Administration, juvenile or adult corrections, or state hospitals, and those in crisis or in immediate need of additional services to avoid institutionalization. (Note: In its maintenance level request, the Division of Developmental Disabilities also requests funding to meet ICF/MR entitlement requirements **if no policy level packages are funded**. The maintenance level request would recognize the cost of opening cottages at the RHCs if community supports and placements are not available. However, this cost is removed if critical community placements are funded at the Policy Level.)
- Funding is requested for community residential placements for 62 individuals (adult children who are age 40 and older and currently living with their aging parents who will no longer be able to care for their children).
- Funding is also requested for employment programs for high school graduates who will be turning 21 years of age and leaving school in June 2011 and June 2012.

Long Term Care

An Abuse/Neglect Study Group was convened by the DSHS Secretary to recommend improvements in the abuse response system (including improved investigative resources). Spending authority is requested to implement the recommendations of the study group, which would provide more timely response to complaints of abuse and neglect, more frequent licensing visits for residential settings, improved accountability of department investigations, and tracking of perpetrators across any DSHS service setting.

These improvements would be financed through an increase in licensing and certification fees for Adult Family Homes, Boarding Homes, Nursing Facilities, and Supported Living Providers. In addition, the fee increase would eliminate or reduce the General Fund-State subsidy for critical oversight of these privately owned businesses. For adult family homes, the current fees only cover 6 percent of oversight costs. The fee increase is primarily the result of ensuring the fee fully covers the costs, as it does for nursing homes and boarding homes.

Behavioral Health

Maintenance level items in the proposed budget for behavioral health services include:

- Funding for additional clinical staff at Eastern State Hospital dedicated specifically to the treatment mall to provide group therapy.
- Increased psychiatric costs at the Child Study and Treatment Center.
- Cost of increased caseload for Disability Lifeline clients.
- Increased lease costs at the Pioneer Center North facility.

I encourage your involvement in the budget development process over the next several months. As Governor Gregoire has said, despite our potential to emerge strongly from the recession, our state's path to recovery will be bumpy. The road to the final budget next spring will be full of challenges for all of us. I thank you for all your efforts to continue to be a strong voice for all of those in need of our support.